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HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959

SPECIAL COMMITTEE ON

BROADCASTING

Chairman: G. E. HALPENNY, Esq.

MINUTES OF PROCEEDINGS AND TESTIMONY

★ MAY 23, 1959
No. 1

UNIVERSITY OF TORONTO

WEDNESDAY, MAY 6, 1959

TUESDAY, MAY 12, 1959

CANADIAN BROADCASTING CORPORATION

WITNESSES:

E. L. Bushnell, Acting President, Canadian Broadcasting Corporation;
and Charles Jennings, Controller of Broadcasting.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

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Publications

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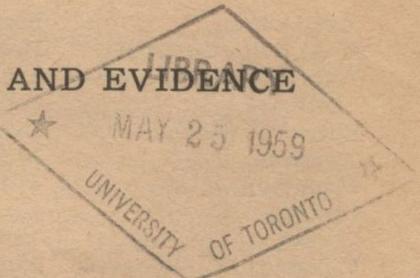
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Chairman: G. E. HALPENNY, Esq.

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OTTAWA, 1959

SPECIAL COMMITTEE ON BROADCASTING

Chairman: G. E. Halpenny, Esq.

Vice-Chairman: J. Flynn, Esq.

and Messrs.

Miss Aitken,	Fortin,	McQuillan,
R. A. Bell (<i>Carleton</i>),	Horner (<i>Jasper-Edson</i>),	Nowlan,
Tom Bell (<i>Saint John-</i> <i>Albert</i>),	Jung,	Pickersgill,
Brassard (<i>Lapointe</i>),	Kucherepa,	Pratt,
Campeau,	Lambert,	Richard (<i>Ottawa East</i>),
Chambers,	Macquarrie,	Robichaud,
Chown,	Mitchell,	Rouleau,
Dorion,	Morris,	Simpson,
Fairfield,	McCleave,	Smith (<i>Calgary South</i>),
Fisher,	McGrath,	Smith (<i>Simcoe North</i>),
Forgie,	McIntosh,	Tremblay—33.

J. E. O'Connor,
Clerk of the Committee.

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ORDERS OF REFERENCE

WEDNESDAY, April 29, 1959.

Ordered,—That a Select Committee be appointed on Broadcasting to consider radio and television broadcasting together with the Annual Report of the Canadian Broadcasting Corporation, and to review the operations, policies and aims of the Corporation and its revenues, expenditures and development, with power to examine and inquire into the matters herein referred to, and to report from time to time their observations and opinions thereon, and to send for persons, papers and records;

That the Committee have power to print such papers and evidence from day to day as may be deemed advisable or necessary;

That the Committee have power to meet while the House is sitting;

That the Committee shall consist of 35 members;

That Standing Orders 66 and 67 be suspended in relation thereto.

MONDAY, May 4, 1959

Ordered,—That the Special Committee on Broadcasting, appointed on April 29, 1959, be composed of Miss Aitken, Messrs. Bell (*Carleton*), Bell (*Saint John-Albert*), Brassard (*Lapointe*), Campeau, Chambers, Chown, Dorion, Fairfield, Fisher, Flynn, Forgie, Fortin, Halpenny, Jung, Kucherepa, Lambert, Macquarrie, Mitchell, Morris, McCleave, McGrath, McIntosh, McQuillan, Nowlan, Pickersgill, Pratt, Richard (*Ottawa East*), Robichaud, Rouleau, Simpson, Smith (*Calgary South*), Smith (*Simcoe North*), Taylor and Tremblay.

FRIDAY, May 8, 1959

Ordered,—That the name of Mr. Horner (*Jasper-Edson*) be substituted for that of Mr. Taylor on the Special Committee on Broadcasting.

ATTEST

LÉON J. RAYMOND,
Clerk of the House.

MINUTES OF PROCEEDINGS

WEDNESDAY, May 6, 1959.

The Special Committee on Broadcasting met at 10 a.m. this day for organization purposes.

Members present: Miss Aitken, Messrs. Bell (*Carleton*), Bell (*Saint John-Albert*), Brassard (*Lapointe*), Campeau, Chambers, Chown, Fairfield, Flynn, Forgie, Fortin, Halpenny, Jung, Lambert, Macquarrie, McCleave, McGrath, McIntosh, McQuillan, Nowlan, Pickersgill, Pratt, Richard (*Ottawa East*), Simpson, Smith (*Calgary South*), Smith (*Simcoe North*), Taylor, and Tremblay. (28)

On the motion of Mr. Smith (*Calgary South*), seconded by Mr. Bell (*Saint John-Albert*), Mr. Halpenny was elected Chairman.

Mr. Halpenny took the Chair and thanked the members of the Committee for the honour extended to him.

On the motion of Mr. Fairfield, seconded by Mr. Bell (*Carleton*), Mr. Flynn was elected Vice-Chairman.

The Chairman read the Order of Reference and called for certain routine business motions.

On the motion of Mr. Smith (*Simcoe North*), seconded by Mr. McCleave,
Resolved,—That, pursuant to its Order of Reference of April 29, 1959, this Committee print 1000 copies in English and 400 copies in French of its Minutes of Proceedings and Evidence.

On the motion of Mr. Lambert, seconded by Mr. McGrath,

Resolved,—That the quorum of this Committee be set at 10 members.

On the motion of Mr. Smith (*Simcoe North*), seconded by Mr. Macquarrie,
Resolved,—That a Sub-committee on Agenda and Procedure, comprising the Chairman and 6 members to be named by him, be appointed.

Agreed,—That insofar as is possible, meetings will be scheduled so as not to conflict with the meetings of the Standing Committee on Estimates.

Following discussions, it was decided that the first meeting of the Committee will be held on Tuesday, May 12, at 11 a.m. and will commence with a statement by Mr. Ernest Bushnell, Acting President of Canadian Broadcasting Corporation.

At 10.15 a.m. the Committee adjourned to the call of the Chair.

J. E. O'Connor,
Clerk of the Committee.

TUESDAY, May 12, 1959.

The Special Committee on Broadcasting met at 11.00 a.m. this day. The Chairman, Mr. Halpenny, presided.

Members present: Miss Aitken, Messrs. Bell (*Carleton*), Bell (*Saint-John-Albert*), Brassard (*Lapointe*), Campeau, Chambers, Chown, Fairfield, Fisher, Flynn, Forgie, Fortin, Halpenny, Horner (*Jasper-Edson*), Jung, Kucherepa, Macquarrie, Mitchell, McCleave, McGrath, Nowlan, Pickersgill, Pratt, Richard (*Ottawa-East*), Simpson, Smith (*Calgary South*), Smith (*Simcoe North*), and Tremblay. (28)

SPECIAL COMMITTEE

In attendance: Messrs. Ernest L. Bushnell, Acting President of Canadian Broadcasting Corporation, assisted by Colonel R. P. Landry, Controller of Administration; Messrs. Charles Jennings, Controller of Broadcasting; Marcel Ouimet, Deputy Controller of Broadcasting; G. R. Young, Assistant Controller of Broadcasting (Station Relations); W. R. Johnston, Assistant Controller of Broadcasting (Commercial); J. P. Gilmore, Controller of Operations; Marcel Carter, Controller of Management Planning & Development; R. E. Keddy, Director of Organization; A. M. Henderson, Comptroller; R. C. Fraser, Director of Public Relations; A. G. Cowan, Director of Northern & Armed Forces Service; Hugh Laidlaw, General Counsel; Barry MacDonald, Secretary—Board of Directors; J. A. Halbert, Assistant Secretary—Board of Directors; and R. L. Dunsmore, Chairman, Finance Committee—Board of Directors.

The Chairman observed the presence of quorum and announced the composition of the Sub-committee on Agenda and Procedure, as follows: Messrs. Pickersgill, Chambers, Mitchell, Fisher, Campeau, and R. A. Bell.

Following discussion of suggestions relating to the scheduling of the Committee's work, Mr. Bushnell was introduced and, in turn, introduced officers of the Corporation.

Mr. Bushnell reviewed the organization and development of the Canadian Broadcasting Corporation; its programming, history and aims.

Agreed,—That Organization charts distributed to the members of the Committee on May 11 be incorporated in the record of today's proceedings.

Mr. Charles Jennings, Controller of Broadcasting, was called and reviewed and commented upon a document entitled "The National Program Service", copies of which were distributed to Members on May 11th.

Mr. Jennings was questioned briefly on his statement.

Upon invitation of the Chairman, members suggested topics that might be usefully explored at future meetings.

At 12.30 p.m., the Committee adjourned to meet again at 9.00 a.m. on Thursday, May 14th.

J. E. O'Connor,
Clerk of the Committee.

EVIDENCE

Tuesday, May 12, 1959.
11.00 a.m.

The CHAIRMAN: Gentlemen, we have a quorum. First of all I wish to announce the composition of the subcommittee on agenda: Messrs. Pickersgill, Chambers, Fisher, Mitchell, Bell (*Carleton*) and Campeau.

Mr. PICKERSGILL: I would like to raise a question. I spent the week-end very profitably occupied on reading over all the debates of the broadcasting legislation of last session. I want to express the hope, which I am sure will be shared by the Minister of National Revenue, that this committee address itself precisely to those things to which the Minister of National Revenue suggested we should address ourselves; that is, to an examination of the new legislation and how the new legislation has worked. That should have priority. All the presentations made to us should be directed to that end.

I hope we can have an understanding in this committee that that is what we will do and not just travel all around the lot which might very easily happen if there is not some direction.

The CHAIRMAN: Thank you.

Mr. SMITH (*Calgary South*): I think the principle enunciated by Mr. Pickersgill probably is a good one. Certainly, however, I hope it is not the suggestion to place any limitation, because all we are governed by are the terms of reference of this committee.

From a personal standpoint I agree the principle is satisfactory, providing it is not suggested that any limitation be placed in respect of going back into some of the past history as it might relate to future legislation or future activities.

The CHAIRMAN: Are there any other comments? I shall introduce to you Mr. Ernest Bushnell, the Acting Chairman of the Canadian Broadcasting Corporation. First of all, I would ask Mr. Bushnell to introduce his confreres, and then Mr. Bushnell will give an introductory statement. The suggestion from the chair is that we allow Mr. Bushnell to complete his statement before any questions are asked or interruptions made. Is that agreeable?

Agreed.

Mr. Bushnell, will you introduce your confreres?

Mr. ERNEST BUSHNELL (*Acting President, Board of Directors, Canadian Broadcasting Corporation*): Thank you, Mr. Chairman. I would ask these gentlemen here to stand up as their names are called.

First, I would like to introduce R. L. Dunsmore, sitting at my right. Mr. Dunsmore is the chairman of the finance committee of the board of directors. Next is Colonel R. P. Landry, controller of administration who is sitting at the back; Mr. Charles Jennings, controller of broadcasting, and beside him Mr. Marcel Ouimet, deputy controller of broadcasting; Mr. George Young, assistant controller of broadcasting (station relations) and Mr. W. R. Johnston, assistant controller of broadcasting (commercial). Then I would like to introduce Mr. J. P. Gilmore, controller of operations and Mr. Marcel Carter, controller of management planning and development; Mr. R. E. Keddy, director of organization; next Mr. A. M. Henderson, comptroller. I had hoped we would

have with us Mr. W. G. Richardson, director of engineering, but unfortunately I am advised he has been afflicted with the 'flu bug which probably was passed along from me. Then we have Mr. R. C. Fraser, director of public relations and Mr. A. G. Cowan, director of northern and armed forces service; Mr. Hugh Laidlaw, general counsel; Mr. Barry MacDonald, secretary of the board of directors and Mr. J. A. Halbert, assistant secretary of the board of directors.

That, sir, is a list of my colleagues, most of whom, indeed all of whom, are located at the head office in Ottawa.

At the back of the room I see a gentleman whom I would like to introduce. He is here for another reason. Mr. W. F. Galgay is here from Newfoundland and this may be the only opportunity he will have of visiting these sessions.

That completes my introduction.

The CHAIRMAN: Thank you, very much.

Mr. BUSHNELL: Mr. Chairman, Mr. Minister and members of the 1959 parliamentary committee on broadcasting:

I am sure you will understand if I open my remarks with a few brief acknowledgments.

First, I should like to acknowledge our great debt of gratitude to Mr. Davidson Dunton for his services to Canadian broadcasting. For twelve years—momentous years in the development of broadcasting in this country, which saw the advent of television—he gave wise and imaginative guidance as chairman of the board of governors. In his new and challenging role as president of Carleton University he carries with him our thanks and our good wishes.

Some hon. MEMBERS: Hear, hear.

Mr. BUSHNELL: Then I should like to express, on behalf of our president, Mr. J. Alphonse Ouimet, his regret that he will not be taking part in these deliberations. I am happy to tell you that he has made remarkable progress and is now enjoying almost fully restored health and vigor, certainly more vigor than health which is characteristic of the man; he is gradually resuming his administrative duties, which are in themselves a very heavy load; but it is felt—and very wisely, I think—that he should not assume additional responsibilities for another eight to ten weeks. And I might at this time pay tribute to the fine way in which my colleagues in the CBC have helped me during the months of Mr. Ouimet's enforced absence. Fortunately, I have also had a great deal of help and guidance from the board of directors and the members of the executive committee of the board in recent months, during which, as you are aware, we have had to face some particularly difficult problems.

Mr. Chairman, at this point I thought I should congratulate you, inasmuch as you are the chairman of the largest radio committee that has ever sat. I think thirty-five members is something of a record. This is, I believe, the fifteenth parliamentary committee. My recollection tells me as well that we have had at least three royal commissions. I might add that it has been my misfortune, if you like, to have participated in one way or another in all of those fifteen parliament committees and the three royal commissions, and I would hope to survive another.

The CHAIRMAN: We also hope so.

Mr. BUSHNELL: It is now four years since the corporation had an opportunity to report directly to parliament through a committee such as this. The last committee on broadcasting was held in 1955. Since that time the CBC has submitted its annual reports to parliament through the minister designated for that purpose as required by statute. I understand that you have the most recent report—that for the year 1957-58—before you as a basis for your study and analysis.

While the corporation has not been before a committee in the last four years, its policies and operations have been the subject of full and detailed scrutiny during the intervening period. Beginning concurrently with the last committee, for a period of more than a year, the closest possible study of all phases of broadcasting in Canada was undertaken by a royal commission headed by Mr. R. M. Fowler.

At the same time, a study made for the CBC of its financing was supplemented by a special study made for the Fowler commission. Both studies were made by a firm of financial consultants. This was followed in March, 1957, by the report of that commission which, among other things, recommended the continuance of the single national system of broadcasting composed of both public and private stations.

At its last session, parliament dealt with broadcasting and enacted in September the Broadcasting Act, which is the legislation governing the activities of the Canadian Broadcasting Corporation. This act was proclaimed on November 10, 1958.

Mr. Chairman, I thought it might be helpful, before dealing with current activities of the corporation, to give you a broad outline of how the corporation has developed. I hope in so doing I am not unnecessarily trespassing upon your time. I believe that such a review will serve as a background to your questions and to the answers which my colleagues and I will do our best to give.

Canada's present broadcasting system, like other communications media, has been shaped by the needs of Canada. The story of our communications is one of a continuing concern with economic and geographic pressures and against the over-development of natural north-south lines of contact which exert a strong and continuous influence upon Canadian life. Since 1929 broadcasting in Canada has been studied by three royal commissions and fourteen parliamentary committees and parliament has enacted three major pieces of legislation to control it and shape it to Canadian conditions and requirements.

The Broadcasting Act of 1958 establishes the Canadian Broadcasting Corporation for the purpose of operating a national broadcasting service in Canada. The CBC is directly responsible to parliament. The Corporation's independence of the executive government in its staff appointments and its program operations has been recognized by all parliamentary committees and all royal commissions as one of the most important characteristics of our Canadian broadcasting system.

The purpose of the CBC is to provide a national radio and television broadcasting service for the whole nation, reaching Canadians in every part of the country, so far as that is economically practicable; to provide program service in the two main languages in Canada; to develop the best possible national service of Canadian programs, together with programs brought in from outside the country.

The national broadcasting service must aim to serve Canadians in all walks of life, old and young; to bring programs of pleasure and of value to them; to meet in fair proportion their varying interests and tastes; to use the tremendous power of radio and television to provide many things that people want—varied entertainment, information, ideas, opinions, reflections of many developments, of many aspects of life; to offer much that is diverting and relaxing, but also to offer things of beauty and of significance. In reviewing the many reports of parliamentary committees on broadcasting, I found, among others, in the report of 1943 this cogent sentence. "A wide diversity of tastes and interests are encountered and to meet the listening public on a variety of levels and endeavour to strike a happy balance will remain a challenge to the ingenuity of those people directing the affairs of the Canadian Broadcasting Corporation." If that challenge existed in 1943, I can assure you it is a greater challenge today.

As it strives to serve Canadians with all their diversity of interests, the national service should enrich the lives of individuals. At the same time, it should stimulate the life of the nation in many ways: by offering opportunities for Canadians to appreciate and share in their artistic and creative abilities; by giving them a chance to laugh—and sometimes I hope to laugh at themselves, which is a very good thing occasionally—and enjoy the same amusing and pleasant things together from coast to coast; by giving them an opportunity for new insights and understanding; by helping them to know and understand one another, and to know other parts of their country; by stimulating and strengthening the interests of Canadians not only in other Canadians, but in the achievements, ideas and creative work of other peoples as well.

To carry out this responsibility, the corporation has had all the powers necessary to establish and operate a broadcasting organization, and now with its former regulatory functions transferred to the Board of Broadcast Governors, it can, does and proposes to concentrate solely on its operating role.

Among the broadcasting systems adopted by different countries throughout the world, the Canadian system is unique in its use of privately-owned and publicly-owned radio and television stations as essential parts of an integrated national operation. This is where the Canadian system differs, say, from the Australian system. In Australia, while there are both public and private stations, they have little to do with one another—that is hardly true because since the advent of television in Australia they are working much more closely together than in the past—since each has its own transmitters in most parts of the country. In Canada, on the other hand, the CBC depends on private stations for much of its coverage, and private stations on the CBC for much of their programming—a practical and money-saving arrangement.

In fulfilling its purpose, the corporation plans and produces a great number and variety of programs. It also imports programs from outside the country. It distributes this program service from Newfoundland to British Columbia through the operations of networks—national as well as regional, the latter to take care of regional needs. In its relations with sponsors and advertising agencies, the corporation is engaged in the production and the importation of commercial programs and their distribution.

On the technical side, the CBC is involved in complex operations related to the establishment and operation of studios, transmitters and the hiring of network facilities. In other respects, for example in its relationships with employees, the corporation resembles in many ways other industrial and public organizations of comparable size. Its administrative problems include maintaining a healthy relationship with a staff of 7,000 as well as the engagement of nearly 18,000 persons who appear before the camera and microphone annually. About 5,200 employees are organized and belong to duly constituted labor unions. Sometimes there are rather complicated negotiations with the six different staff unions and the performers' unions, but by and large we get along pretty well together.

One of the characteristics of CBC broadcasting is that it does not charge the consumer directly for its service and relies on advertising and some form of public support for its revenues. Because of Canada's small population, its two languages and its vast distances, the cost of a nation-wide radio and television service, basically Canadian in content and character, is I suspect, greater than any commercial company could support profitably. Thus, if it is to discharge the responsibility placed upon it by parliament, the CBC has to rely partly on public funds to meet its financial requirements. The whole question of finance and expenditure control, and its obvious relation to the quantity and quality of program output—and it is also a matter of distribution—is under constant study by management and the board of directors.

In addition to national service in sound and television broadcasting, the corporation acts as an agent of the government in managing the international service which broadcasts by shortwave in 16 languages and supplies Canadian transcriptions to various parts of the world. The funds for this service are provided by special votes of parliament. Policies for the international service are determined in consultation with the Department of External Affairs.

Started during the present year as the result of a special appropriation, but to be continued under the general provision of funds by parliament, is a northern service of the CBC. This is a development of the former arrangement whereby CBC made tape recordings of some of the national program service available to stations in northern Canada. In a similar way CBC has since 1951 provided tape recorded programs and shortwave news broadcasts for radio stations serving the Canadian armed forces abroad, the costs of this being recovered from the Department of National Defence.

Where the corporation differs from many other organizations in Canada is in the nature and scope of its product and in the extent and method of its distribution. The product of the corporation is programs—radio and television programs—and each program is an individual creation. It must be individually planned and custom-built. There is no mass production—nor can there be.

During the current year the corporation expects to broadcast some 50,000 of its own network productions in radio, totalling over 13,000 hours. In television, annual production of programs is around 10,000 totalling about 5,000 hours. These programs originate from various parts of Canada—some in English and some in French, some for radio and some for television—and cover the broad range of human experience and interests. Imports are not included here.

Some—like news, sports, national events, drama, variety and popular music—serve a very wide audience. Others are designed to interest a more specialized audience or to serve a special purpose—examples are children's programs, programs for women, for farmers and fishermen, religious programs, school broadcasts, programs on national and international affairs, on business and economics, on labor, and on political affairs. I rather suspect in some parts of Canada in the next few weeks you may be hearing, and indeed viewing, several programs of matters political which probably will include business, economics, labour and those things which I just have mentioned above.

Some of these programs demand months of planning and the effective coordination of many varied components. Others—radio interviews, for instance—may be arranged at comparatively short notice. Costs may vary from \$50 or less for a local radio program to \$400,000 for the 1957 royal visit on radio and television. I might interject that probably the costs of the forthcoming visit of Her Majesty and Prince Phillip will cost as much, if not more, and I am sure none of us will regret spending one penny of that amount.

All of this program output is arranged in weekly schedules, in which every effort is made to achieve a reasonable balance. This balance has to take into account the size and character of the potential audience, and the extent of the program's distribution, nationally or regionally.

CBC program service is described in detail in a separate submission under the title of 'The National Program Service' and I should like to have our Controller of Broadcasting, Mr. Charles Jennings and his deputy, Mr. Marcel Ouimet speak to you about programs at one of the early upcoming sessions of this committee.

You have heard me mention the word "distribution", and I think possibly the next few paragraphs should explain to you just what is meant by "program distribution".

Program Distribution

Another of the corporation's responsibilities is to make its national program service available to as many Canadians as possible, in English or French. In this country the only practical way of doing this is by extensive network operations, since the range of any individual broadcasting station is somewhat limited. A great many stations must be linked together by a network to serve the whole country. The CBC has its own transmitting stations serving certain areas, but, as I have said before many other areas have to be served through private stations connected to CBC networks.

The volume of network radio broadcasting has grown by almost ten times since the CBC was established by parliament in 1936. Today the corporation operates five networks—trans-Canada, French, Dominion in radio, and French and English networks in television. Each has a special character. The details of networks and stations are set out in another submission, entitled 'Radio and television networks'. The maps and information in this submission will, I hope, help you to understand the complexities of this aspect of our operations. I might mention that the facilities required to connect our television network are, we believe, the longest in the world.

Of course, we do not know what our friends in Russia have, but we are still under the impression that our network facilities are longer than theirs.

A word about CBC stations and coverage. I shall try to explain to you later this word "coverage".

CBC Stations and Coverage

When the CBC came into being, it set a general objective which its then Chairman, L. W. Brockington, Q.C., expressed as 'making it possible for every Canadian to hear the corporation's programs and of providing the best programs wherever obtainable.'

In 1937 a technical survey was undertaken to determine the precise coverage of the network and of all Canadian stations, as well as the extent and character of interference. This survey revealed that approximately 50 per cent of the population was being given assured coverage but that rural Canada was receiving much less service. To remedy this situation and to provide adequate coast-to-coast facilities, the Board of Governors approved a long-term plan, the essential feature of which was the ownership by the CBC of high-power stations occupying clear channels to serve both urban and rural listeners.

Some time later, in order to help overcome geographical difficulties hampering reception in certain areas (notably in the East Kootenay and Cariboo districts of British Columbia and parts of Northern Ontario, Quebec and New Brunswick), a new type of station was developed. This was the LPRT, or low power relay transmitter. This type of transmitter could be fed directly from the network lines (those lines already paid for and in use to connect the larger centres) and the transmitters of this type were meant to give coverage to areas which received little or no service from regular broadcasting stations, either CBC or privately-owned. Since 1940 the corporation has installed these low power transmitters in some 50 areas which receive full service of the Trans-Canada or French network.

However, many more are needed if CBC service is to be as truly national as you would like it to be.

Members of this committee, and members of parliament generally, are rather familiar with this peculiarly Canadian problem of bringing national service to isolated areas. The corporation conducts a continuing study of areas from which such applications come to have these LPRTs installed. Our engineering and research departments collect relevant data—the potential radio homes,

the source of power, the means of providing service and, most important of all, the cost of installing and operating the proposed stations through linkage to existing network lines. From this data, our cost index per radio home is determined. CBC management and board of directors (and the former board of governors) was and is now supplied with a report on the basis of which the corporation can come to a conclusion as to those locations for which licences should be sought, subject, of course, to the availability of capital and operating funds for such additions to the national service.

We now come to that rather interesting subject—not in any sense deprecating radio, but this subject of television. It may be helpful if I were to review for you, as briefly as I can, the growth of C.B.C. television.

In the years preceding television in Canada, the CBC gave a lot of thought to Canadian needs and conditions. It came to the conclusion, rightly or wrongly, that the development of television broadcasting should be undertaken by the corporation as part of the national broadcasting service. The CBC recommended to the government the licensing of publicly-owned television stations supplemented by individual private stations connected with the CBC-operated network.

In 1949 the government announced an interim plan pending the report and recommendations of the royal commission on national development in the arts, letters and sciences, which was known as the Massey commission, headed by our now Governor General. This interim plan involved the establishment of national television production centres at Toronto and Montreal, with transmitting stations in each of these cities. The government loaned the CBC the necessary capital funds. The CBC was asked to provide programs for private broadcasting stations which might shortly become operative in other parts of Canada.

In 1951 the report of the Massey commission strongly recommended a national television system and specifically that the CBC proceed with plans for national coverage and for the production of television programs in French and English. It also recommended that all private stations licensed be required to serve as outlets for national programs.

In May, 1952, the corporation submitted to the government a proposal for the development of a nationwide television system. This called for CBC stations and production centres at key points across the country as a basic framework. In addition individual private stations should be licensed in other areas and would extend coverage of the national service through their affiliation to the CBC network. CBC estimated that this pattern would provide service to approximately 75 per cent of the Canadian population.

In the autumn of 1952, the government announced its plan for the development of television in Canada or "further development", I might say. It indicated willingness to permit the CBC to establish further television production centres and stations at Vancouver, Winnipeg, Ottawa and Halifax, and provided loans for the purpose. In addition, the government suggested it would license private stations to serve areas not served by CBC facilities. Its objective was to make national television service available to as many Canadians as possible through cooperation between private and public enterprise. Under the plan all licensed private stations would carry national program service, in addition to programming of their own, and no two stations would be licensed to serve the same area. Some six and almost seven years later, after the announcement of this plan, Canadian television is available to approximately 90 per cent of the population, but, may I add regrettfully, there are many unserved areas demanding TV service.

Let us deal now with the basis for recommending C.B.C. installations.

In making its 1952 submission to the government, the Board of Governors put forward recommendations for CBC production centres and transmitters in each of the principal geographic regions. The board took this step because it thought it desirable that there should be CBC originating points in all of these key areas so that the national service could reflect the regional as well as the national characteristics of Canada and so that there would be regional opportunities for Canadian artists, performers, writers, technicians and engineers. It also was the opinion of the board that the corporation should be provided with its own facilities in areas where large populations could be served in order that the national system could be supported by revenues from commercial operations—that is by advertising—thus lessening the extent of dependence on public funds.

In addition, the Board of Governors considered that it was the responsibility of the CBC to provide television service through relay transmitters in areas which appeared unlikely to be able to support a private station. As I have said before there are many demands for service. The CBC gives earnest consideration to all these. However, it must study them within the limits of its resources and must proceed on the basis of making installations which provide service to the greatest number for the lowest cost or expense. In its planning, CBC management has worked out certain criteria for the extension of coverage through CBC facilities. These criteria, intended to ensure the economical use of public funds, are:

- (1) A broadcasting channel should be available in the area.
- (2) In order to qualify for consideration the population of a centre should exceed an established minimum.
- (3) A reasonable balance should be maintained between geographical areas and the French and English languages
- (4) A study should be made of population distribution and topography to determine the most effective and economic transmitters to install.
- (5) Consideration of the method of providing program service for a potential CBC installation should take into account the comparative costs of service by (a) network connection, (b) off-air pickup from another CBC transmitter and (c) television recordings, originally called—and it has now almost become a nasty word—"kinescopes".
- (6) Annual operating costs per television home served should be determined for each potential installation in order to provide unit cost comparison. Other things being equal, the potential installation with the lowest unit cost should receive attention first.

Mr. Chairman, may I pass along to the Broadcasting Act, the new Broadcasting Act, copies of which I assume you have before you. If not, they are certainly available. I am sure you all have them. Maybe you have not brought them with you, but they can easily be obtained, although I do not know whether they are necessary at this particular time.

The new Broadcasting Act proclaimed November 10, 1958, provides for a Board of Broadcast Governors to regulate the establishment and operation of networks, the activities of public and private stations in Canada and the relationship between them, and to recommend to the licensing authority on applications for all new stations. As the BBG will obviously be available to appear before you, it is not for me to say just what its functions or responsibilities are. The act does confirm the status of the Canadian Broadcasting Corporation as a crown corporation for the purpose of operating a national broadcasting service.

It ensures that there shall be a board of directors. I do have something more to say about the board of directors, and I think I should make it clear at this point, because there seems to be a considerable amount of confusion

in the minds of some people as to the difference between the Board of Governors, which was the C.B.C. Board of Governors and which has been replaced by the Board of Broadcast Governors, and the C.B.C. Board of Directors.

I am going to add to the confusion in a little while by telling you something about this Board of Directors, but the act also sets out quite clearly certain financial and other provisions relating to its operation.

In connection with extension of C.B.C. coverage—probably, at this point I should tell you, because we use this term “extension of C.B.C. coverage” quite frequently, just what that involves, or might involve. It might mean the installation of a high power transmitter or a low power transmitter somewhere. It might mean the installation of a relay station or, indeed, it might mean the extension of the microwave system. Those are the things that are encompassed, if you like; at least that is the way we use the expression “extension of coverage”.

The Broadcasting Act requires the C.B.C. to submit a five-year capital program to the government by November, 1959 and, as I indicated a moment ago, to apply for authority to establish new broadcast installations. This means—and I think this is rather important—that C.B.C. applications involving extension of coverage and the installation of new stations are also heard at public sessions of the Board of Broadcast Governors and are recommended on by the B.B.G. to the Minister of Transport.

I have tried to explain the steps which the C.B.C. must take in developing additional radio and television coverage to stress the fact that there are many areas where coverage is not yet available, and I have tried to tell you some of the reasons why these people in these unserved areas are now literally demanding service from the C.B.C. It may also be drawn to your attention that when the last parliamentary committee on broadcasting met in 1955, our television service was available to 73 per cent of Canadian homes; now it is available to 90 per cent of them.

You may wish to question those figures at some later time. I hope Mr. W. G. Richardson, our director of engineering, will be able to make it a little more clear. If he is not able to, there are others who will be able to make this clearer than I propose to at this time.

There is one other fact which I mentioned but which I should perhaps restate in the clearest possible terms. To extend either radio or television coverage requires not only capital, but also operating funds. In 1956 the corporation submitted to the Fowler Commission a capital program covering a period of seven years. This program provided for progressive extension of coverage, as well as for other developments in the radio and television fields. A further revision of coverage plans will be reflected in the five-year capital program to be submitted this year.

Mr. Chairman, I think I will say something about our C.B.C. board of directors. I think most of you know the act, and I am sure you do realize that under its provisions, as I have indicated before, the regulatory and related functions formerly exercised by the C.B.C. Board of Governors are now the responsibility of the Board of Broadcast Governors, which is a completely new body as I explained a moment ago. This gives fresh emphasis to the corporation's primary function of providing a national broadcasting service. It is with this task that our board of directors, appointed last November, is mainly concerned. Our directors are: Mr. J. Alphonse Ouimet who is president; Mrs. Kate Aitken of Toronto; Mrs. Ellen Armstrong of Calgary; Mrs. Alixe Carter of Salmon Arm, British Columbia; Mr. R. L. Dunsmore of Montreal; Mr. Raymond Dupuis of Montreal; Mr. R. W. Ganong of St. Stephen, New Brunswick; Mr. C. W. Leeson of Stratford, Ontario; Dr. C. B. Lumsden of Wolfville, Nova Scotia; Dr. W. L. Morton of Winnipeg; and, of course, myself.

We also have in attendance from the board of directors, Mr. Barry MacDonald, secretary, whom I will introduce to you, and Mr. Jack Halbert, the assistant secretary.

The board of directors is responsible for CBC operational and financial problems. In the main it deals with such matters as:

- (a) the establishment and revision of by-laws;
- (b) the establishment of basic policies and directives;
- (c) the consideration and approval or rejection of broad operating plans;
- (d) the approval and recommendation to parliament of annual capital and operating budgets;
- (e) the approval of proposals to the appropriate Minister and the Minister of Finance for submission to the governor in council of a five-year capital program.
- (f) the recommendation and submission of the annual report to parliament; and
- (g) the overall direction of the corporation's affairs.

The CBC board of directors held its first meeting on December 4, 1958, and passed by-laws which provide for the conduct of meetings of the board, and the establishment of executive, finance and program committees.

The executive committee, generally speaking, is vested with full authority to act for the Board of Directors between meetings of the board should any unusual or emergency situation arise. The president is chairman of the executive committee which also includes the chairman of the finance committee, Mr. R. L. Dunsmore, the chairman if the program committee (myself) and two other directors, Mrs. Aitken and Mr. Dupuis.

The finance committee of the board (composed of Mr. Dunsmore, Mr. Ganong and Mr. Leeson, as well as Mr. Ouimet and myself) is required by by-law to survey the financial operations of the corporation and submit to the board, as the board may require, a report of such financial operations, including any recommendations it may have with respect to them. The functions of the finance committee may include any of the following:

- (a) review monthly financial statements as prepared and presented by management;
- (b) submit to the board at each regular meeting a financial statement and recommendations thereon;
- (c) review and recommend on the financial implications of any transactions involving CBC;
- (d) review financial submissions of the corporation to the treasury board;
- (e) review and recommend to the board on the annual capital and operations budgets and keep in touch with budget developments;
- (f) review and recommend to the board on the over-all salary budget for management personnel;
- (g) request studies by management of any financial operations of the corporation;
- (h) recommend to the board, or in an emergency to the executive committee, on proposed changes in any CBC operation to improve the financial position of the corporation;
- (i) review and recommend to the board on financial and operational forecasts;
- (j) review and recommend on any financial matter referred to it by the board, the Executive Committee or by Management through the President.

The board of directors asked Mr. R. L. Dunsmore to be chairman of its finance committee and already this committee of the board has performed most useful service.

I think I mentioned before Mr. Dunsmore is the chairman of the committee so I will pass on to the third and largest committee of the board, and that is the program committee.

As I have mentioned, the program committee is composed of myself, Mrs. Aitken, Mrs. Ellen Armstrong, Mrs. Alixe Carter, Mr. Raymond Dupuis, Dr. Lumsden, Dr. Morton and Mr. Ganong.

On behalf of the board of directors, the program committee may:

- (a) review the established program policies of the corporation;
- (b) recommend to the board such changes in policy and such new policies as may appear desirable;
- (c) review program standards of the corporation;
- (d) recommend to the board such changes in standards or such new standards as may appear desirable;
- (e) review the program performance of the corporation in the light of established policies and standards;
- (f) receive such reports and other information from management as may be necessary for the performance of the foregoing functions.

Now, if I may, I would like to deal rather briefly with the C.B.C. organization.

C.B.C. Organization

The organization of the corporation is shown on two charts which I believe are available to you through the Clerk of your Committee.

The CHAIRMAN: They have already been distributed.

Mr. BELL (*Carleton*): I think they should be printed in the proceedings, Mr. Chairman.

The CHAIRMAN: Yes; thank you, Mr. Bell.

The first chart shows the broad areas of responsibility in the corporation's administrative structure. It indicates that at head office, the chief executive, Mr. Ouimet, is assisted by a group of senior officers who specialize in areas of administration, broadcasting, engineering, finance, management planning and development, operations and public relations. Those are the gentlemen whom I introduced to you this morning.

The head office of the corporation is by statute located in Ottawa. In order to meet the varying needs of a big country and to try to resolve the difficulties presented by the existence of seven time zones, the C.B.C. is divided geographically into six regions for purposes of administration and operations. These are: British Columbia with headquarters in Vancouver, prairie provinces with Winnipeg as its centre, the Ontario and English networks division directed from Toronto, the Quebec and French networks division with Montreal as its central point, the maritime provinces with offices in Halifax and Newfoundland directed from St. John's.

At some time later I hope to give you the opportunity of meeting some of our regional directors, the people who are in charge of the various sections I have mentioned. We also have two other administrative units: The International Service—of which Mr. Charles R. Delafield is the head—having its headquarters in the Radio Canada building in Montreal, and the Northern and

Armed Forces Service—Mr. Andrew Cowan is the director of that service—directed from Ottawa. The latter deals with broadcast service to the Yukon, Northwest Territories, to the northern area of certain provinces, and to Canadian armed forces overseas through transmitters operated and paid for by the Department of National Defence.

I am sure that by this time you have become pretty well confused about the director business. First let me say this, that when we had a Board of Governors we were able to use the term "director" rather freely in the organization; but after we got a Board of Directors we found out we had so many directors of our own that it became very confusing. Let me put them in this order. There is the Board of Directors—whom I named—that was appointed by the government, and the directors of the regions are C.B.C. employees responsible for administration and the programming in their areas. Then we unfortunately have as well—I should not say "unfortunately"; we are pleased to have them, but it is unfortunate that we cannot find a better name for them—a number of other directors. For example, you have heard me mention the director of engineering. He, also, is one of the paid employees of the corporation. So I hope that you can keep these terms that I am using clearly in your mind and differentiate between the Board of Directors, directors of the regions, and directors of divisions or sections, who are really—as I say—employees of the corporation.

Each region is headed by a director who is responsible for the interpretation and application of corporation policy. He directs the operating units, controls the activities of staff services and is mainly responsible for public relations in his region. Under him are specialized staff officers. Each operating unit is managed by a station manager or director reporting to the regional director.

It may be noticed that two areas are referred to as divisions. These have special responsibilities. In addition to being administrative centres for the geographical area, they are the headquarters for network operations. The two divisions are in Ontario for English networks and in Quebec for French networks. For these two divisions, network program directors plan the program schedules in both radio and television. They also determine at what points programs will originate, direct commercial activities and relations with affiliated stations, and in general exercise quality control over programs.

In the second chart, which is basically the same as the first, will be found the title for each of responsibility. In addition, for each staff position at head office a list of functions is given which will serve to identify the area of activity of each controller or director. Our controller of management planning and development, Mr. Marcel Carter, will, I am sure, be happy to enlighten you further in this connection, if any enlightenment is needed; and it may well be.

Briefly touching on the international service.

I would like to reiterate what I said before about the financing of the international service which goes out to the world by shortwave and recordings and provides a Canadian service of information and programs to other countries. The corporation carries on its books and shows on its balance sheet, as a separate item, the total cost of this service's real property, technical equipment, transmitters and so on. All expenditures of international service are covered by a separate parliamentary appropriation and the annual estimates of the service are approved by treasury board before being considered by parliament. They are also discussed with the Department of External Affairs.

Briefly a word about CBC engineering.

The corporation has had to build its own staff of engineers, architects and technicians in order to operate and maintain all of the highly specialized electronic and mechanical equipment needed in broadcasting. These services come under the supervision of the director of engineering, Mr. W. G. Richardson, who—as I said before—will be available to supply any technical information you may require. If not, his assistant, Mr. Johnson, will be available.

Now a word or two about CBC staff.

The national broadcasting service is built on the contributions of individual members of our staff. They have many specialized capacities. We determine the salary differentials for different staff positions through a job analysis and assess the relative value of new jobs and re-assess positions, the nature of which has been altered. Staff statistics, except for individual salaries, are available. All of our procedures dealing with staff and welfare matters are the responsibility of the controller of administration, Colonel R. P. Landry, who is prepared to answer any question or give information you may desire.

Then a word about C.B.C. information services.

One of the areas to which the corporation has given increasing attention over the years is that of informing the public about C.B.C. program activities. It has been our conviction, and this has been supported by others who have studied the problem, including parliamentary committees, that our own facilities are the best means at our disposal for this task. The responsibility for C.B.C. information services rest with our director of public relations, Mr. R. C. Fraser, who will be attending most of the sessions, I hope, of this committee and will be available to answer questions which committee members may be interested in.

Then, if I might pass on to our relations with staff unions.

The corporation, because it is a federal body, comes within the review of the Minister of Labour and the Canada Labour Relations Board according to the terms of the Industrial Relations and Disputes Investigation Act of 1948. CBC union relations date back to May of 1952 when the American Newspaper Guild—that is, ANG—was certified by the Canada Labour Relations Board as a bargaining agent to represent a unit of reporters and editors employed in the CBC news service. Since then four other unions have been certified at various times, so that presently 76 per cent of staff are represented by unions. The remaining 24 per cent is made up of management, supervisory and confidential employees who have been excluded from collective bargaining under the Canada Labour Relations Act.

Mr. Chairman, you will see a long list of the unions with which we have agreements, and I would beg your forgiveness if I do not read them to you, except to say, in very general terms, that I think we have about 5,200 all told listed here. They range from the largest—the IATSE group of 1,530 and the NABET group of 1,200—down to a rather small group of building service employees.

The CHAIRMAN: Is it agreeable, ladies and gentlemen, that this be put in the record?

Agreed to.

21199-5-2½

At present there are nine agreements in force.

Union	Employees Covered	Approximate Number
Canadian Wire Service Guild (Local 213)	News Department Clerical, Production	140
Association of Radio and Television Employees of Canada (ARTEC)	Clerical, Production & Announce staff	2,100
Association of Radio and Television Employees of Canada (Building Maintenance Group)	Building Maintenance Staff	50
Building Service Employees' International Union Local 298 Montreal (BSEIU)	Janitors and Cleaners	65
Building Service Employees' International Union Local 244 Vancouver (BSEIU)	Janitors and Cleaners	10
Building Service Employees' International Union Local 204 Toronto (BSEIU)	Janitors and Cleaners	75
International Alliance of Theatrical Stage Employees (IATSE)	TV Production, Stag- ing, Film & Crafts	1,530
National Association of Broadcast Employees and Technicians (NABET Master Group)	Technical	1,200
National Association of Broadcast Employees and Technicians (NABET TV Studio Watchmen)	Television Studio Watchmen	30

Mr. BUSHNELL: Now our Relations with Talent Unions, which may interest you.

In addition to discussing matters with unions representing staff, the corporation deals collectively and bargains with authors, artists and musicians. I do not want any misunderstanding when I differentiate between artists and musicians, because musicians are artists; there is no question about that. The corporation negotiates with the Canadian Council of Authors and Artists (CCAA) and the American Federation of Musicians (AF of M).

In the fiscal year 1957-58 the corporation engaged approximately 625 individual musicians as well as some 1,200 performers affiliated to CCAA. Most of these artists were, of course, used on a number of occasions for a total of almost 60,000 performances in the year.

There is no agreement in contract form between the AF of M and the corporation. The rates and conditions governing musicians and radio and TV are outlined in two letters from the AF of M to the corporation. The first major interruption in the relationship between the corporation and its employees, experienced in Montreal at the beginning of this year, arose by reason of the refusal of some union members to cross a picket line which had been established by management non-union employees. Members of this committee will understand that this was an unprecedented situation for the corporation; indeed it may be safe to say that it was almost unprecedented on the national labor scene. At this time I will only say that with the help of all concerned, the corporation is providing what it hopes and believes a normal radio and television service on its French networks.

Now we come to a rather important part of my statement, which will be amplified later by Mr. Henderson and others. It is the part having to do with finance.

Financial

You have our last annual report containing our financial statements for the fiscal year ended March 31, 1958, which I would ask you to note was duly certified by the Auditor General of Canada.

We are now completing our accounts for the past fiscal year which ended March 31st. It will be some weeks yet before this is final and the Auditor General is in a position to certify to the correctness of our financial statements. However, as required by the Broadcasting Act, we shall be placing our report in the hands of the minister by the end of June for tabling in parliament.

The financial statements for this fiscal year—that is, for 1958-59—will reflect full implementation of the financial provisions of the Broadcasting Act, which became effective November 10, 1958, and which provided among other things for conversion of the corporation's loan indebtedness to the government of Canada into a proprietor's equity account on the books of the corporation.

In this introductory statement I feel I could give you some helpful information about the financial operations and controls of the corporation. The corporation must conform to the requirements of the Financial Administration Act, particularly for certain aspects of its operations, and those particularly affecting capital expenditures. In accordance with section 30 of the Broadcasting Act the C.B.C. may purchase, lease or otherwise acquire or dispose of real or personal property but must seek approval of the governor in council for transactions, other than those involving program material or rights therein, for a consideration in excess of one hundred thousand dollars or for a period in excess of five years.

As I have said before, section 35(2) provides that within one year after the coming into force of the Broadcasting Act and every fifth year thereafter the corporation shall submit to the minister and the Minister of Finance for submission to the governor in council a five-year capital program proposed by the corporation, together with a forecast of the effect of this program on the corporation's operating requirements. The corporation has always followed the practice of submitting both a capital budget and an operating budget to treasury board for its next financial year. It is customary to prepare and discuss the proposed expenditures with the minister to whom the C.B.C. reports and the officers of the treasury board in the closing months of the calendar year and the submissions, as approved, are included in the departmental estimates submitted to parliament annually. For example, in November, 1957, the corporation submitted its estimates for the fiscal year 1958-59 which were then approved by parliamentary vote in August of 1958. The total amount of these estimates so approved was \$60,140,000 consisting of \$51,491,000 for radio and television operations and \$8,649,000 for capital expenditures. Our accounting of these will be reflected in the financial statement for the year ended March 31, 1959, to which I have referred.

After approval of the estimates by treasury board the corporation then establishes internal operating plans and related budgets designed to provide yardsticks and benchmarks against which actual performance can be and is carefully measured monthly during the course of the year. The practice followed is similar to that employed by, I presume, any commercial business. However, it takes on an added importance for the corporation since expenditures must be kept within the total estimates approved by parliament for the year.

There is a budget committee at our head office for the purpose of coordinating, reviewing and recommending to the president and our finance committee and then to our board of directors, all of the corporation's budget estimates and any changes therein both with respect to our specific annual requirements on capital and operations as well as the five-year forecasts which have to be submitted to the minister reporting to parliament for the C.B.C. and the Minister of Finance under the provisions of the Broadcasting Act.

The effective functioning of our budget estimating requires that we base our forecasting on sound operational policy and plans. This demands the close and continuing attention of all of our senior officials at head office and in the regions. Our controller of operations, Mr. J. P. Gilmore, is responsible for coordinating this work. The planning decided upon in this way must be evaluated in terms of its financial requirements. This is the responsibility of our comptroller, Mr. Max Henderson, who with his head office staff and the regional chief accountants, carries out all financial estimating, costing, compilation and reporting thereon.

As the year progresses, the chief accountants in each of our regions prepare monthly financial reports. In addition to being consolidated by the comptroller at head office for this monthly report for management, these individual regional reports are the basis on which the officers in charge of various operating units take action. In this way all management officers keep a close watch not only on how money is spent but how efficiently various supervisors are managing their operations. Any unusual or extraordinary expenditure is the subject of management analysis and action at once.

Another financial control in the corporation's regular operations is a continuing internal audit carried out under the direction of the comptroller. This provides spot checks on the management of units and on the handling of particular transactions.

The corporation believes that, within the framework of broad policies and principles laid down by its board of directors, it should make as much money as it can from its commercial operations, compatible with its objectives which I think have been rather carefully spelled out by previous commissions and committees. There are two very good reasons for this:

- (1) to help lessen the cost of a national enterprise that must continue to rely on funds provided by parliament to maintain a high standard of service; and
- (2) within sensible and economically justifiable limits, to expand its services to its shareholders, the public of Canada.

I think I have already mentioned this two or three times, but it leads me to the next paragraph, so I hope you will allow me just to speak again about this five-year forecast of estimated capital requirements.

The basis on which this forecast will be made is now under close study by managements and the board of directors. The work involved must be completed by November of this year—that is a short time to do it in.

Certain very basic assumptions should be made in such a forecast. Specifically we are obliged to estimate to what extent the recommendations of the board of broadcast governors are likely to affect our present operations and future plans. We must assess the impact of private station competition on our revenue from commercial operations. In addition, we ourselves face a number of capital projects which must be undertaken if we are to achieve our goal of maximum efficiency at minimum cost to the Canadian taxpayer; and probably as good an example of this is in the importance of consolidating our production facilities in the large centres of Montreal and Toronto where we are now too widely dispersed.

Mr. CHAIRMAN: I hope this report has not wearied you. Probably it has wearied me a little more; I seem to show some evidence of that. It is just the voice more than the physical effort, but there are many other aspects of this complicated business which I might have included, and I know there will be many questions you will wish us to answer. My colleagues and myself are here to do just that, as well as we can.

Thank you very much gentlemen, for giving me such fine attention here today. Thank you, Mr. Chairman.

The CHAIRMAN: Mr. Bushnell, we are obliged to you for this most comprehensive report.

I see it is 12:15, and we can do one of two things. We can proceed with this report and review it page by page with questions, or, although I think it is a little too early, we could adjourn this meeting. What is your wish?

Mr. CHAMBERS: Let us carry on for a while, Mr. Chairman.

Mr. SMITH (*Simcoe North*): Mr. Chairman, I was wondering if there was some way in which you could divide the questioning for the discussion on the report so it would not be necessary to keep all Mr. Bushnell's assistants here all through the hearings. If we could decide at one hearing to deal with certain aspects, then only those experts would need to be here at that particular hearing.

The CHAIRMAN: That is the intention of the subcommittee. We will have a meeting today or tomorrow, and present our proposed agenda to Mr. Bushnell, so that he can call in those people only who are particularly interested in the questions which we will have for that date.

Mr. SMITH (*Calgary South*): I think, Mr. Chairman, that merits consideration, because in taking the report page by page you come back at various points to a variety of subjects; and if, as an example, the committee could consider on one day the question of finance and on the second day the question of production, it would provide better continuity for the committee.

The CHAIRMAN: I think you are right, Mr. Smith. There is one way we could proceed if we do not wish to go into questioning today. On page 8 of the report I notice Mr. Bushnell stated that Mr. Charles Jennings has another report on programming. If it is your wish, we could hear Mr. Charles Jennings at this time, if he is prepared to submit that report.

Mr. KUCHEREPA: How long would it take?

The CHAIRMAN: How long would your report take, Mr. Jennings,—fifteen minutes, half an hour?

Mr. CHARLES JENNINGS (*Controller of Broadcasting*): I think what I could do, Mr. Chairman, is to ask first of all, if this report on the National Program Service has been distributed.

The CHAIRMAN: Yes, it has been distributed.

Mr. JENNINGS: I might spend a very few moments pointing out to you what is contained in the report, Mr. Chairman.

The CHAIRMAN: Thank you.

Mr. JENNINGS: I think, sir, it is probably far too long to go into in the time at our disposal here, but perhaps I could go over the contents. Do the members of the committee have it?

The CHAIRMAN: Yes, they do. I think that might be wise, Mr. Jennings, if you would just run quickly over the headings of this, with any comments you may wish to make in approximately 15 or 20 minutes.

Mr. JENNINGS: Let me start this by reading the first page of it, which details what it is all about.

This chronological survey of C.B.C. programs was originally prepared as a submission to the royal commission on broadcasting during the summer of 1956.

It has been brought up to date by the addition of a section covering the years from 1956 to the present, and it has been indexed since the time it was originally prepared.

The original intention of the submission was to state the basic principles and objectives of C.B.C. programming and by means of a summarized account of the programs themselves to show how the corporation had tried to fulfil these ends.

The next page is the index. Immediately following the index you will find an introduction, running to some four pages, which states the programming policy and objectives of the corporation.

That is followed by another section which covers the activities of the English networks from 1936 to 1939, the war years, 1939 to 1945, and the ten years 1946 to 1956. Then there is a section dealing with the French network, and finally a summing up.

Then we have presented an addendum which deals with French networks from 1957 to 1958 under various headings, and the English networks under the same headings.

I do not know how long it would take—probably about ten minutes—to go through the introduction. That is the first four pages, if you would like me to state that.

The CHAIRMAN: I think that might be advisable.

Mr. PRATT: I wonder if I could ask a question arising from Mr. Bushnell's report, on page 17, which deals with programming?

The CHAIRMAN: Page 17, did you say?

Mr. PRATT: Yes, page 17 of Mr. Bushnell's report. I wonder if the committee could have a more detailed definition of the difference between "program policy" and "program standards" before hearing this report?

The CHAIRMAN: It has quite a considerable amount to do with Mr. Jennings' initial report.

Mr. PRATT: Yes, and that is why I ask the question now, Mr. Chairman.

Mr. JENNINGS: It might emerge in the report, on my reading this introduction.

The CHAIRMAN: That is all right then. Do go ahead, please, Mr. Jennings.

Mr. JENNINGS: The CBC was created by parliament to provide Canadians with a broadcasting service suited to the particular needs of this country.

It is answerable for its operations to parliament in the first instance and ultimately to public opinion.

The scope of its service has been determined by the national wealth and the needs of the people; its shape by geography and two official languages; its character by the democratic climate of our society.

Its programs, principally Canadian in origin but augmented by a selection from abroad, have been concerned with entertainment and relaxation; the imparting of objective news and information; the vitality of the nation's democratic institutions and values—free speech, the rule of law, respect for the individual, freedom of worship, freedom of inquiry; the health of the nation, the efficiency of its economy and its good repute abroad; sport; the education of youth; and the creative arts are the lifeblood of its programs.

Its policy has been to invest each program according to its nature with that degree of relaxation, humour, stimulation, escape, inspiration or excitement necessary to arrest and hold the listener's interest.

Its organisation has been developed on a regional basis in order to tap for program material the thought, aspirations, traditions and art of individuals, groups and communities in every part of the country.

Its regional policy is a three-way system of serving the particular needs of the people of the regions in such fields as school broadcasts, news, farm and fisheries broadcasts; of fostering and sustaining local and regional thought and traditions so that they may contribute to national programs; and of developing and sustaining talent in the fields of music, drama, and writing on a basis of professional competence in all regions.

Out of this regional diversity the Canadian character has grown, slowly and at times frustrated by *sectionalism* and *factionalism*. But the richness of its promise has already been reflected in many CBC programs.

Believing that the citizen of a free society is a complex of interests, tastes and capacities for enjoyment, the starting point in the production of CBC programs is the conception of listeners and viewers as individuals, not as a mass. As a listener or viewer he cannot be classified for the convenience of program producers as highbrow, lowbrow, or middlebrow; jazz fiend, long hair or sports fan. Packaging individuals neatly into such categories for easy handling is a totalitarian device; the combinations of tastes in the individual vary widely. The same individual may have within him the capacity to enjoy symphonic music, boogie woogie, farce, wrestling, political discussion and religious experience.

It is this variety in the individual that gives our society its character and civilised life its richness.

The program spectrum of CBC is made as broad as possible in order that tastes already formed may be sustained and new ones encouraged.

CBC cannot at any one time provide a range of programs wide enough for all listeners and viewers to find their choice immediately. But it can and does provide such a range during the course of the day, the week or the month.

Within its resources CBC has made the democratic compromise of trying to serve all of the people some of the time rather than some of the people all of the time. Broadcasting a few types of programs most of the time, in the belief that this is the way of giving the public what it wants, degrades the listener or viewer from an individual to a type.

CBC conceives it to be its duty to provide as wide a range of programs as possible from which the individual listener or viewer may choose. This involves a reciprocal obligation on the listener or viewer to accommodate himself as far as possible to the times at which programs of his choice are scheduled. Only in this way can the interests of as many as possible be served during the broadcasting day.

The CBC attempts to serve the largest number of listeners at the times most suitable for them by carefully devised patterns of scheduling and by its system of regional broadcasting: farmers at noon, housewives in the afternoon, children in the late afternoon, families in the early evening, adults in the late evening.

It does not regard radio listening or television viewing as a full-time occupation for any individual or section of the nation. No program schedule could be devised for the benefit of a single individual or group. To use the vast resources of radio and television to broadcast certain types of programs exclusively at the expense of the widest possible selection, to starve or leave unawakened certain capacities for enjoyment while others are glutted, would be a misuse of these resources, an impairment of their great potential.

In the final analysis, broadcasting produces nothing tangible, no 'end product', only an impact on the minds of listeners or viewers.

In the course of years and even generations it is hoped that the impact of CBC programs will enlarge the understanding and stimulate the creative genius of Canadians.

Understanding begets tolerance. As citizens of a nation embracing two cultures and languages, two aboriginal races and many other racial stocks, sectional economic interests and a scattered population, Canadians have need of an extra portion of tolerance and understanding.

One of the tests of healthy democracy is the tolerance of unpopular minority opinions, of new expressions of art and ideas, either native or imported, which are essential to the nation's development.

In the furtherance of Canadian arts—music, drama, ballet, design—CBC has set its sights at the international level. The commonwealth of creative art is international and national standards like good currency should be freely exchangeable among civilised peoples.

The vitality and efficiency of CBC can only be maintained by constant and constructive public criticism. Such criticism helps to maintain and improve artistic and technical standards, to inform and inspire program producers, to destroy complacency and preserve good taste.

While taking pride in its achievements of the past twenty years, CBC is aware of its constant duty not only to maintain recognized standards but to create new ones in keeping with the nation's growth and with scientific, artistic and social advances. It is aware of its opportunities and responsibilities as the second largest broadcasting system among the free nations and as the national broadcasting system of one of the leading western powers.

The values of western civilization which Canada has inherited and taken for granted for a long time are being challenged for the second time in this generation. CBC played a vital part in the national effort during World War II; it has an equally vital part in the competitive co-existence of the cold war.

CBC programs in their multiplicity and variety can help to quicken and enrich Canadian life in all its aspects.

Shall I go on and read the final paragraph which describes the body of the report?

The CHAIRMAN: I think you might as well, and that will complete it.

Mr. JENNINGS: The body of this report will deal with programs in detail, and will endeavour by the mention of outstanding programs during the last twenty years to show what the corporation has achieved in entertainment of all kinds, and in information, education and inspiration. The program service is in two sections, French and English, though the closest possible liaison is constantly maintained. Separate reports on French and English programs are presented. From them it will become clear that the corporation has always kept before its eyes the importance of integrating, so far as is possible, our two main cultures, of helping the two historic elements of the Canadian people to better mutual understanding and sympathy, and of drawing on the traditions of both for its programs.

The CHAIRMAN: Thank you very much, Mr. Jennings. Mr. Pratt, did you get the information you required from it?

Mr. PRATT: Not yet.

Mr. JENNINGS: I have tried to describe it this way, that in the field of policies we try over a broad range to decide what we shall do; and in the field of standards to decide how we shall do it.

Those are the two general approaches we make to the assessment of our program service generally. It's a continually changing thing.

Mr. PRATT: With regard to your last paragraph, why have you not have one production centre for French and English programs in the city of Montreal, and could not you bring to fruition one centre for Toronto and Montreal?

The CHAIRMAN: I suggest we hold off of any questioning right now.

There are two things I would like to mention. Have any members on the committee any charts or briefs that you think you might require at a later date, particularly those that might take some time to prepare? I think, in all fairness to Mr. Bushnell and his group we should ask for them now.

Mr. CHAMBERS: I have not read through this program completely, just having got it last night, and some of the information might be contained in there; but I would like a chart showing administrative responsibility for production and programming. We have heard of all sorts of producers and technical producers, and I am not clear as to the distinction. I would also like a chart—and this has been talked about by Mr. Bushnell—a chart for programming responsibility, how it evolves.

I would like two other things, a copy of the staff regulations and the method of establishing staff requirements.

The CHAIRMAN: Is there any reason, Mr. Bushnell, why they cannot be prepared?

Mr. PRATT: They could be brought out in some form or another.

Mr. SMITH (*Calgary South*): I would like, in the area of production, to learn or have placed before us any surveys of opinion as to whether the objectives mentioned here are being accomplished, if there are any.

Secondly, with relation to finance, I would like a breakdown of the administrative costs in relation to program costs.

Mr. BUSHNELL: Very well.

Mr. PICKERSGILL: I think Mr. Smith has anticipated what I was going to ask for. I had in mind we should be given all the details of the possible budget on which the estimates of the current year are based.

Mr. CHAMBERS: And the method of preparing them.

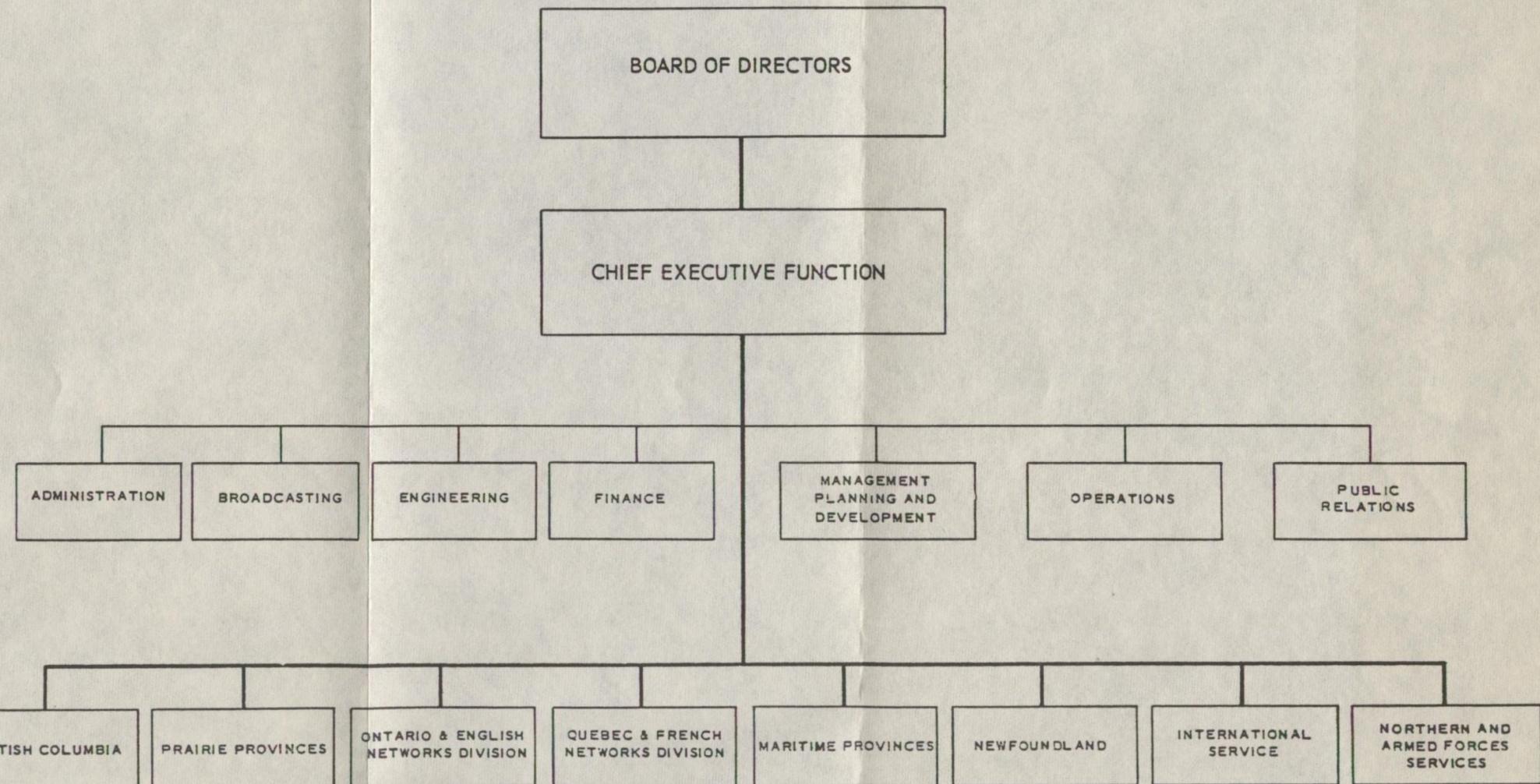
The CHAIRMAN: They can be produced.

Miss Aitken, and gentlemen, the next scheduled meeting of this committee will be on Thursday, May 14, at 9.30 a.m. in this room.

Mr. PICKERSGILL: Mr. Chairman, before we adjourn, I wonder if the steering committee, could meet right away?

The CHAIRMAN: I was going to ask the steering committee to remain in this room.

CANADIAN BROADCASTING CORPORATION



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